

# ***Logistics Public-Private Partnering***



**Update  
31 May 2005**



# ***Ongoing Partnering Initiatives***

- Performance-Based Logistics
- Defense Transportation Coordination Initiative
- Public-Private Partnering Tiger Team



# ***Performance-Based Logistics (PBL)***

- Integrated support of weapon systems to meet operational readiness requirements (commercial model)
- Program Manager is the single point of accountability
  - Readiness
  - Cost
- Support provided by industry/government partnerships
  - Contract incentives tied to cost and performance (output)
  - Commercial standard response times



# ***Near-Term Actions (FY 04)***

## ***(As of April 04)***

- ✓ Promulgate consistent PBL guidance
  - Buy performance
  - Incentives tied to critical metrics
  - Multi-year contracts
  - Award terms to enable consistent contract horizon
- ✓ Promulgate enabling financial strategy
  - Visible weapon system programming
  - Consolidate budgeting in visible element code
- ✓ Establish core metrics, baselines, and benchmarks
  - Operational availability
  - Mission reliability
  - Cost per unit usage
  - Footprint
  - Mobility
  - Logistics response time
- ✓ Incorporate metrics reporting into existing processes/systems
  - DAES
  - Quarterly Readiness Reports



**MID-  
917**



# ***PBL Implementation (SPG 06)***

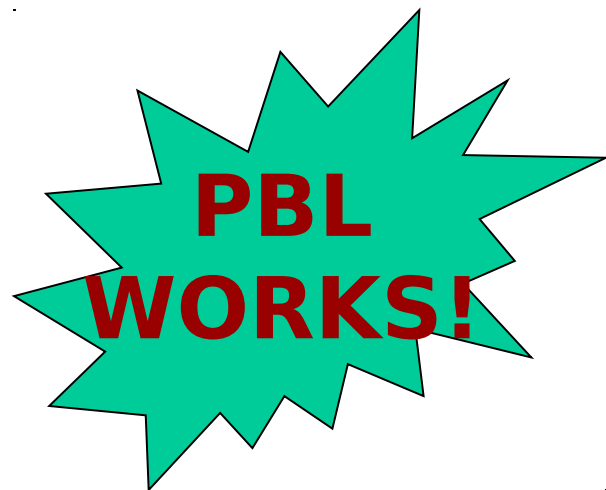
	Army	Navy	Air Force
ACAT I & II Programs	65	82	80
Programs with Current PBL Contract(s)	19	23	7
Programs with Scheduled PBL Contract(s)	29	49	7
Programs with Current or Scheduled PBL Contract(s)	48 (74%)	72 (88%)	14 (18%)

\*Data based on counts and % of Programs with associated PBL Contracts



# ***Recent Results***

- F/A-18 SMS - Availability Was 65% ... Now 98%
- Tires - Availability Was 81% ... Now 98%
- ARC-210 Radio - Availability Was 70% ... Now 85%
- APU - Availability Was 65% ... Now 90%
- F-14 LANTIRN - Availability Was 73% ... Now 90%
- H-60 Avionics - Availability Was 71% ... Now 85%
- F/A-18 C/D - 67% Availability ... F/A-18 E/F FIRST - 85%



- **Improves Readiness**
- **Low Total Ownership Costs**



# ***Defense Transportation Coordination Initiative (DTCI)***

**Vision:** Improve the reliability, predictability, and efficiency of DoD materiel moving within the Continental United States through a long-term partnership with a world-class coordinator of transportation management services

**Goals:**

- ☐ Improve operational effectiveness
- ☐ Improve visibility, reliability, & predictability
- ☐ Improve customer confidence
- ☐ Reduce cycle times
- ☐ Increase efficiencies
- ☐ Use commercial best practices
- ☐ Ensure strong small business participation
- ☐ Performance improvement enabled by metrics

**Value Proposition:** Improve performance of distribution to CONUS-

based operational forces and depots--with corollary dollar



# ***DTCI Status***

- 3PL supplier business case analysis 2001
- 3PL prototype demonstration 2001 to 2004
- TRANSCOM assigned DTCI responsibility and acquisition authority - Nov 2004
- Initiated interaction with industry - November 2004
- USTRANSCOM DTCI PMO established - Dec 2004
- Solicited Industry for best practices - April 2005
- Updating Acquisition Strategy, Con Ops, and requirements
- Preparing for industry solicitation - In Progress





# ***DTCI Next Steps***

- Acquisition Strategy – Update Jun 05
- Concept of Operations – Update Jun 05
- Industry RFI discussions - 13-17 Jun 05
- Performance Work Statement – Jul 05
- Draft RFP release – Aug 05
- Pre-solicitation Conference – Aug/Sep 05
- RFP Release – Oct 05
- Contract Award – Jun 06



# ***Emerging Performance-Based Partnering***

- Technical data conversion and maintenance
  - To enable net-centric operations
- Industry weapon system support network
  - Building from existing Aerospace Exchange
- Strategic microelectronics supplier management
  - To include high-end commercial industry
- Global distribution partnership
  - As an extension of DTCI

***Currently being worked via Industry/Government Public-Private***